

Remuneration Report 2015

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1. General introduction

Adecco's Remuneration Report reflects the requirements of the Ordinance Against Excessive Compensation at Listed Corporations (the "Ordinance") and the Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange as amended on September 1, 2014. Adecco S.A.'s principles regarding remuneration further take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as published on September 29, 2014. In addition, the Remuneration Report comprises information as required under the Swiss Code of Obligations (Art. 663c para. 3). For further information regarding Adecco's Corporate Governance refer to the Corporate Governance Report.

Statements throughout this Remuneration Report using the terms "the Company" or "the Group" refer to the Adecco Group, which comprises Adecco S.A., a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which Adecco is considered the primary beneficiary.

2. The Company's compensation philosophy and determination of remuneration principles and compensation

2.1 Compensation philosophy

The Company's compensation philosophy seeks to recognise and reward performance. Taking into consideration Group, business unit, and individual contributions, the compensation programmes are designed to attract, retain, motivate and reward employees in order to support the achievement of the Company's financial and strategic objectives and also to ensure that the total compensation potential is internally consistent and externally competitive. It is the Company's aim to align its compensation philosophy with the shareholders' interests and to foster collaboration between countries, units and departments.

The compensation is to be fair and competitive and therefore aims that the base salaries are aligned at a median level of the relevant peer companies. The individual positioning takes into account factors such as revenues, employees under scope and market capitalisation. Further responsibilities beyond the typical scope of the function are also taken into consideration. The alignment of base salaries with the median of the relevant peer companies assures that the compensation is competitive in attracting and retaining talent. The benefits are defined regionally to meet local regulations and to take into consideration the local competitive situation.

With the variable components of compensation, the Company strives to recognise and reward team performance. Thus, as a general rule, individual quantitative targets are not used for bonus purposes in the compensation programmes. The incentive programmes include a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP"). The STIP incentivises management to achieve the Company's yearly financial targets. This is an important factor in view of the cyclicity of the Company's business. The LTIP incentivises management to deliver long-term value creation and aligns the interests of management with the interests of the shareholders. More details on the different plans are provided in the discussion about the compensation of the Executive Committee ("EC") in sections 3.3 and 4.3 "Executive Committee's compensation".

2.2 Determination of remuneration principles and compensation

In general, compensation of the Board of Directors ("Board") and of the members of the EC is reviewed annually to ensure that competitive pay is maintained and undesired fluctuations are minimised.

The Company's compensation programmes, which include share-based compensation elements, are approved by the Board. In line with the provisions of the Articles of Incorporation ("Aol"; www.aoi.adecco.com), the Board has entrusted the Nomination & Compensation Committee ("NCC") with providing recommendations to the Board, taking into account proposals of the Chief Executive Officer ("CEO") and the Chief Human Resources Officer ("CHRO"), regarding the remuneration principles and general compensation philosophy of the Company, and with reviewing and proposing the objectives relevant to compensation of the EC. The NCC is composed of independent Board members only (for further details on NCC composition, tasks, and activities refer to the Corporate Governance Report, section 3.4.3 "Nomination & Compensation Committee").

The remuneration of the Board and of the EC, and the proposals of the maximum compensation of the Board and of the EC to be submitted to the shareholders' meeting of the Company ("AGM"), are determined by the full Board, upon recommendation of the NCC. The members of the EC do not attend meetings when matters concerning their own compensation are being decided. The compensation of the other employees of the Company is authorised by the responsible members of management, based on the remuneration principles and general compensation philosophy of the Company. The findings, recommendations and decisions of the NCC are submitted to the Board by the Chairman of the NCC.

Adecco had engaged Towers Watson AG, Zurich, Switzerland, to provide an in-depth compensation benchmark analysis in 2013 and 2014 in order to ensure alignment with market standards (for details see Remuneration Report 2014, section 2.2 "Determination of remuneration principles and compensation"). Based on the outcome of the analysis, it was decided not to commission another benchmark analysis in 2015.

Pursuant to Art. 14^{bis} of the Aol (www.aoi.adecco.com), the maximum compensation amounts available for members of the Board as well as the EC are subject to annual binding prospective approval of the shareholders' meeting of the Company. At each AGM, shareholders will be asked to approve in a prospective binding vote the maximum Board compensation for the office period from one AGM to the following AGM, and the maximum EC compensation for the following business year. Further information on such vote including the rules on supplementary amounts can be found in Art. 14^{bis} of the Aol (www.aoi.adecco.com).

3. Remuneration 2015

3.1 Introduction

For 2015, the NCC reviewed the compensation policy, including the remuneration principles and structure, for the members of the EC taking into particular consideration prior shareholder advisory votes, discussions with proxy advisors, current market practices and the level of alignment between pay and performance. Based on the findings of the review, the NCC provided recommendations to the Board who decided to continue the existing compensation system for 2015 (refer to the Remuneration Report 2014).

In 2015, there were changes in both the Board and the EC. At the AGM in April, shareholders re-elected all seven members of the Board that were standing for re-election and elected two new members, increasing the Board from eight to nine members. In the EC, five members in office on January 1, 2015, including both CEO and CFO left the Company during 2015. Four new members joined the EC in 2015 and two in early 2016 (see table under 5.1.2). Following these changes, the EC comprises 13 members compared to 12 members previously.

3.2 Board of Directors' compensation

The members of the Board are compensated with a fixed fee for each office period. Approximately two-thirds of the fee is paid in cash and approximately one-third is paid with Adecco S.A. shares for which a three-year blocking period applies (refer to Art. 20 of the Aol; www.aoi.adecco.com). Such an approach is intended to enhance alignment of all Board members with the interests of the shareholders. When determining the members' compensation, based on the recommendations of the NCC, their various functions and responsibilities within the Board and its committees are taken into account.

¹ Paid in Adecco S.A. shares with a three-year blocking period.

² No entitlement to additional fee for committee work.

³ Amount includes fee for committee membership for the Committee Chairperson.

⁴ EBITA is a non-U.S. GAAP measure and refers to operating income before amortisation of intangible assets and impairment of goodwill and intangible assets.

The compensation system for the office period from AGM 2015 to AGM 2016 is summarised in the table below:

<i>in CHF</i>	Cash	Shares ¹
Fee (gross) for the office period		
Chairman of the Board ²	960,000	500,000
Vice-Chairman of the Board ²	300,000	150,000
Other members of the Board	166,670	83,330
Additional fee (gross) for committee work for the office period		
Committee Chairperson ³	100,000	50,000
Other Committee members	33,330	16,670

For the amounts paid to the individual members of the Board in the period under review (January 1 to December 31, 2015), refer to section 5.1.1 "Board of Directors' compensation and shareholding".

3.3 Executive Committee's compensation

The compensation model for the EC includes fixed and variable elements (refer to Art. 20^{bis} of the Aol; www.aoi.adecco.com):

- base salary;
- STIP, based on annual, ambitious and clearly defined internal performance objectives. The STIP includes a special one-time cash incentive element ("STIPA") applicable only for the years 2014 and 2015 to support the achievement of the 2015 Group EBITA⁴ margin target;
- LTIP, including performance share awards, based on ambitious internal and external performance objectives, and restricted share unit awards, which cliff-vest after a three-year period;
- benefits including social contributions, pension plan dues and fringe benefits.

For the determination of the variable part of the compensation, no other targets than the ones mentioned in the description of the STIP and of the LTIP are taken into account.

The framework underlying the STIP and the LTIP is set forth in Art. 20^{bis} of the Aol (www.aoi.adecco.com).

Elements of the Executive Committee's compensation

	Element	Purpose	Drivers	Performance measures
Base Salary	Cash salary, typically in monthly instalments	<ul style="list-style-type: none"> • Payment for due job performance and day-to-day responsibilities; • Attract and retain 	<ul style="list-style-type: none"> • Function; • Position; • Market conditions; • Skills; and • Experience of person 	n.a.
Short-term incentive plan (STIP)	Annual bonus paid in cash in the year following the relevant performance period	<ul style="list-style-type: none"> • Pay for performance; and • Incentive to achieve the Group EBITA margin target of above 5.5% in 2015 	<ul style="list-style-type: none"> • Achievement of business objectives over a one-year period; or • For 2014 and 2015, a two-year period 	<ul style="list-style-type: none"> • Regional/Group Economic Profit ("EP"); and • For 2014/2015 only, on Regional level absolute EBITA and/or EBITA margin on Regional/Group level
Long-term incentive plan (LTIP)	Performance Share awards	<ul style="list-style-type: none"> • Reward long-term performance; and • Align to shareholders' interests 	<ul style="list-style-type: none"> • Achievement of Group objectives; • Continued employment 	<ul style="list-style-type: none"> • EBITA margin; • EPS; • Relative TSR
	Restricted Share Unit awards (RSU awards)	<ul style="list-style-type: none"> • Pay for loyalty over business cycle; • Attract and retain 	<ul style="list-style-type: none"> • Continued employment 	n.a.
Benefits	Social contributions, pension plan dues and fringe benefits	<ul style="list-style-type: none"> • Attract and retain 	<ul style="list-style-type: none"> • Market practice; • Function; • Local regulations 	n.a.

3.3.1 Base salary

The 2015 annual base salary was determined by the Board, taking into account comparable functions and positions, considering amongst other elements, the number of employees reporting to the function, revenues generated under the function and additional responsibilities beyond the typical scope of the function. The base salary reflects job characteristics, seniority, experience and skills. Base salary is paid in cash, typically in monthly instalments, and is set according to local practice. The annual base salary also serves as the basis for determining the variable compensation.

3.3.2 Short-term incentive plan (STIP)

The STIP is a cash incentive plan (annual bonus) linked to the achievement of Economic Profit ("EP") performance targets for a given year, based on the Economic Value Added ("EVA") approach. EP is a measure of financial performance, based on residual income. According to this approach, value is created if EBITA after the deduction of taxes is greater than the minimum required return on invested capital. By using EP performance targets for the STIP, the Company incentivises management to focus on both profit and the use of capital to deliver increased value. EP performance targets for the STIP are based on the Company's long-term strategic plans, ensuring the alignment of short-term performance targets with long-term objectives.

The calculation of EP takes the Adecco Group's net operating profit after taxes ("NOPAT") and deducts a charge for the use of capital in the business, based on the Group's invested capital and weighted average cost of capital ("WACC"). Invested capital is defined as total assets, excluding cash and including gross acquired goodwill and other gross acquired intangibles since the introduction of the EVA approach, minus non-interest bearing liabilities. The Company applies a 10% WACC across all its entities, although the actual WACC in the reporting period was lower.

The STIP bonus is calculated by reference to the STIP bonus base, defined as a percentage of the participant's annual base salary. For members of the EC, this percentage ranges between 50% and 120% of base salary. The percentage varies according to the participant's function and responsibilities, and has been determined by the NCC upon proposal of the CEO and of the CHRO. For members of the EC with geographical responsibility, 35% of the STIP bonus base is allocated based on the EP of the Company and 65% is allocated based on the EP of the relevant geographical segment. For the members of the EC who do not have direct responsibility for a specific geographical segment, the entire STIP will be based on the EP of the Company.

Performance targets stipulate the EP Baseline level, EP Target level and EP Cap level. For performance below EP Baseline level, no bonus is paid. For performance at EP Baseline level, 80% of the STIP bonus base is paid. At EP Target level, 100% of STIP bonus base is paid. At or above EP Cap level, 150% of the STIP bonus base is paid. For performance between EP Baseline and EP Target level, or between EP Target and EP Cap level, bonus is calculated in a linear way. For members of the EC, this results in a cap for the STIP in a range of 75% (150% x 50%) to 180% (150% x 120%) of annual base salary. The Aoi set the cap for combined STIP and STIPA for the CEO, the highest paid member of the EC, at 140% of annual base salary (www.aoi.adecco.com).

EVA Performance	Bonus Payment
< EP Baseline	No bonus
= EP Baseline	80% of bonus base
≥ EP Baseline and ≤ EP Target	Linear between 80% and 100% of bonus base
= EP Target	100% of bonus base
≥ EP Target and ≤ EP Cap	Linear between 100% and 150% of bonus base
> EP Cap	150% of bonus base

As in previous years, the STIP bonus shall be paid in the year following the performance period, reflecting common industry practice. In addition to performance targets, the STIP foresees that the bonus payment is subject to continued employment with the Company. In case of termination of employment and depending on the conditions of such termination, the STIP foresees that the STIP bonus may be reduced or excluded. These plan rules are subject to legal enforcement in the given country of employment. Any performance adjustments such as un-budgeted items related to acquisitions and divestitures and reorganisations have to be approved by the NCC.

To support the achievement of the Group EBITA margin target in 2015, the STIP has been enhanced with a special one-time cash incentive element (STIPA) limited to the years 2014 and 2015. The STIPA is linked to performance targets that reflect the Company's profitability plans for 2014 and 2015 to deliver a Group EBITA margin of above 5.5% in 2015. For details regarding the achievement conditions for STIPA, refer to the Remuneration Report 2014, section 3.3.3. "Short-term incentive plan".

For EC members without regional responsibilities, the 2015 STIPA at target amounted to 30% of the 2015 STIP bonus base and was subject to the achievement of the Group EBITA margin target of above 5.5% in 2015. For EC members with regional responsibilities, the 2015 STIPA at target amounted to 45% of the 2015 STIP bonus base and was subject to the achievement of either regional EBITA margin or regional absolute EBITA targets in 2015.

The targets for the STIPA were determined by the NCC and were based on the Company's long-term plan including the Group EBITA margin target in 2015. Payments under the STIPA were deferred to 2016.

Performance targets for the STIP and STIPA are both market- and commercially-sensitive and as such are considered confidential. Hence, the Company discloses ex post the degree to which performance has been achieved (refer to section 5.1.2 "Executive Committee's compensation").

3.3.3 Long-term incentive plan (LTIP)

3.3.3.1 Introduction

The LTIP is a share-based incentive plan consisting of Performance Share awards and Restricted Share Unit awards ("RSU awards"). Performance Share awards contain an undertaking to deliver a number of Adecco S.A. shares to the participants of the plan after the end of the performance period (end of performance period for awards granted in 2015: December 31, 2017), but at the earliest on March 15, 2018, provided and to the extent that certain employment conditions and performance targets are met (i.e. in case the awards vest). RSU awards contain an undertaking to deliver a number of Adecco S.A. shares to the participants of the plan linked to the satisfaction of certain employment conditions. Performance Share awards and RSU awards were granted in March 2015 to the members of the EC then in function.

The proportion of Performance Share awards amounts to 60% of the LTIP target base amount, and the proportion of RSU awards to 40%. The Performance Share awards are split into EBITA margin awards, EPS awards and relative Total Shareholder Return ("TSR") awards (refer to section 3.3.3.2 "Performance Share awards").

The LTIP target base is defined as a percentage of the participant's annual base salary. For EC members at the date of grant, this percentage ranged between 75% and 150% of the base salary. The percentage varies according to the participant's function and responsibilities, and has been determined by the NCC upon proposal of the CEO and the CHRO.

To determine the number of share awards to be granted under the LTIP, the three-year average daily closing price of the Adecco S.A. share is used. However, the share price used for the allocation cannot deviate by more than 20% from the share price at grant.

Performance targets for Performance Share awards are both market- and commercially-sensitive and as such are considered confidential. Hence, the Company will disclose ex post the degree to which performance was achieved (refer to section 5.6 "Historical vesting information on Performance Share awards").

The LTIP is subject to certain reclaim provisions in case benefits were acquired by involvement in fraudulent behaviour or intentional misconduct.

3.3.3.2 Performance Share awards

Whether and to what extent the performance targets have been achieved will be measured at the end of a performance period of three years. Any performance adjustments such as unbudgeted items related to acquisitions and divestitures and reorganisations have to be approved by the NCC. The awards vest accordingly (for the awards granted in 2015: not before March 15, 2018). Those awards that do not vest due to lack of fulfilment lapse immediately.

The plan foresees that participants who terminate their employment with the Company at their own will, and those who receive notice of termination for cause, before the end of the performance period, will no longer be entitled to the vesting of the awards. In case of termination by the employer without cause, a time-weighted pro rata portion of the unvested Per-

formance Share awards will vest at the regular vesting date depending on the level of target achievement. These plan rules are subject to legal enforcement in the given country of employment.

The maximum number of Performance Share awards under the LTIP that may vest in favour of the members of the EC after the end of the performance period is limited to the number of Performance Share awards granted.

EBITA margin awards

EBITA margin awards comprise 40% of the Performance Share awards, with vesting subject to performance against a target of average adjusted Group EBITA margin for 2015 to 2017. The adjusted EBITA margin of the Adecco Group is the EBITA as a percentage of revenues adjusted for: restructuring and integration costs; and income or expenses relating to years prior to 2015 impacting revenues and/or EBITA, if material. EBITA refers to operating income before amortisation of intangible assets and impairment of goodwill and intangible assets. In case of significant acquisitions and/or divestitures, targets may be adjusted.

For EBITA margin awards, the plan stipulates Baseline and Target levels of average adjusted Group EBITA margin for 2015 to 2017. The Baseline level is set at 4.8%; the Target level is set equal to the average adjusted EBITA margin for 2015 to 2017 in the Company's five-year plan at the time of grant. For performance below the Baseline level, no EBITA margin awards shall vest. For performance at the Baseline level, 25% of the EBITA margin awards granted shall vest. For performance at the Target level, 100% of the EBITA margin awards granted shall vest. For performance between Baseline and Target levels, the number of awards vesting will be calculated linearly. No additional awards shall vest for performance above the Target level.

Average adjusted EBITA margin	Award vesting
< Baseline	0%
≥ Baseline and ≤ Target	Linear between 25% and 100%
> Target	100% (maximum)

EPS awards

EPS awards comprise 40% of the Performance Share awards, with vesting subject to performance against a target adjusted diluted EPS for 2017. The adjusted diluted EPS of the Adecco Group is the diluted EPS adjusted for: restructuring and integration costs, net of income tax; income or expenses relating to prior years impacting net income attributable to Adecco shareholders, if material; and impairment of goodwill and intangible assets, net of income tax.

For EPS awards, the plan stipulates Baseline and Target levels of adjusted diluted EPS for 2017. The Baseline is set equal to EUR 3.55; the Target level is set equal to the 2017 adjusted diluted EPS in the Company's five-year plan at the time of grant. For performance below or at the Baseline level, no EPS awards shall vest. For performance at the Target level, 100% of the EPS awards granted shall vest. For performance between Baseline and Target levels, the number of awards vesting will be calculated linearly. No additional awards shall vest for performance above the Target level.

Adjusted diluted EPS	Award vesting
< Baseline	0%
≥ Baseline and ≤ Target	Linear between 0% and 100%
> Target	100% (maximum)

Relative TSR awards

Relative TSR awards comprise 20% of the Performance Share awards, with vesting subject to performance against a targeted level of relative TSR over the performance period. This shall be calculated as the difference between the Adecco S.A. TSR and the weighted-average TSR over the performance period of a predefined peer group ("Peer TSR"). The peer group for 2015 originally comprised the following 18 companies: Amadeus Fire, Brunel International, Hays, Kelly Services, Kforce, Manpower Group, Meitec, Michael Page International, On Assignment, Randstad Holding, Robert Half International, Robert Walters, Skilled Group, SThree, Synergie Groupe, Temp Holdings, TrueBlue and USG People. As Skilled Group (delisted as of October 1, 2015) was acquired by another company, and USG People has reached a conditional agreement on a tender offer for all its ordinary shares, both companies have been eliminated from the peer group. The NCC periodically reviews the composition of the peer group.

For relative TSR awards the plan stipulates Baseline and Target levels of relative TSR. The Baseline level is set as Adecco S.A. TSR being equal to the Peer TSR; the Target is set at the Adecco S.A. TSR exceeding the Peer TSR by 5 percentage points. For performance below or at the Baseline level, no relative TSR awards shall vest. For performance at the Target level, 100% of the relative TSR awards granted shall vest. For performance between Baseline and Target levels, the number of awards vesting is calculated linearly. No additional awards shall vest for performance above the Target level.

Relative TSR performance	Award vesting
< Peer TSR (Baseline)	0%
≥ Peer TSR and ≤ Peer TSR +5%	Linear between 0% and 100%
> Peer TSR +5% (Target)	100% (maximum)

3.3.3.3 RSU awards

RSU awards are granted as a tool for retaining key personnel, especially in a highly cyclical business like the Company's. The proportion of RSU awards within the LTIP amounts to 40%. RSU awards shall vest in a single tranche after three years (cliff-vesting).

The vesting of RSU awards is subject to employment conditions. Provided that the employment relationship continues, RSU awards will cliff-vest after a period of three years following the date of grant.

The plan foresees that participants who terminate their employment with the Company at their own will, and those who receive notice of termination for cause, before a vesting date, will no longer be entitled to the vesting of the RSU awards. In case of termination by the employer without cause, a time-weighted pro rata portion of RSU awards will vest at the regular vesting date. These plan rules are subject to legal enforcement in the given country of employment.

The maximum number of RSU awards under the LTIP that may vest in favour of the members of the EC is limited to the number of RSU awards granted.

3.3.4 Benefits

Social contributions, pension plan dues and fringe benefits are awarded based on local regulations and practices. Fringe benefits may include, amongst other items, car allowance for private use, car lease, membership fees, housing allowance, relocation, education, health insurance and representation allowance.

4. Remuneration outlook 2016

4.1 Introduction

For 2016, the NCC reviewed the compensation policy for the members of the EC in light of the Group's strategy and new financial targets for the years 2016 onwards. Reflecting these developments, and based upon a proposal by the NCC, the Board has decided to adapt the STIP and the LTIP for the EC for 2016 onwards. The main changes relate to the introduction of new performance metrics for the STIP and the change of the LTIP to an exclusively performance-based plan.

4.2 Board of Directors' compensation for the office period AGM 2016 to AGM 2017

For the office period from AGM 2016 to AGM 2017, the Board's compensation follows the same principles as for the office period from AGM 2015 to AGM 2016 and remains unchanged (refer to section 3.2 "Board of Directors' compensation").

4.3 Executive Committee's compensation 2016

For 2016, adaptations to the STIP and the LTIP have been introduced in order to further strengthen the link between compensation and performance: new performance metrics for the STIP have been introduced and the LTIP has been changed to an exclusively performance-based three-year cliff-vesting plan. As of March 1, 2016, the EC comprises 13 members, compared to formerly 12 members.

4.3.1 Base salary

For 2016, the same principles as in 2015 apply for base salary (refer to section 3.3.1 "Base salary").

4.3.2 Short-term incentive plan (STIP)

The STIP continues to be a cash incentive plan (annual bonus), based on the EVA approach. While the STIP in 2015 and previous years was linked to EP, starting from 2016 it will be linked to the achievement of three key value drivers of EVA: EBITA, revenues and Days Sales Outstanding ("DSO"). These performance metrics are the key levers that operational management can influence in order to increase EVA and thereby increase shareholder value.

For members of the EC with direct responsibility for a specific geographical segment, 35% of the STIP bonus base will be allocated based on the performance of the Company and 65% will be allocated based on the performance of the

relevant geographical segment. For the members of the EC who do not have direct responsibility for a specific geographical segment, the entire STIP will be based on the performance of the Company.

For each performance metric, a target level of performance is determined, for which 100% of the bonus at target is paid, as well as a minimum level of performance (baseline), below which no bonus is paid, and a maximum level of performance (cap), for which 150% (maximum) of the bonus at target is paid. For achievement between those levels the bonus is calculated by linear interpolation:

	EBITA	Revenues	DSO
Weighting in % of bonus	65%	20%	15%
Below baseline (0% payout)	<80% of budget	<96% of budget	> Budgeted DSO + 1 day
Baseline	80% of budget = 80% payout	96% of budget = 50% payout	Budgeted DSO + 1 day = 50% payout
Target (100% payout)	100% of budget	100% of budget	Budgeted DSO
Cap (150% payout)	120% of budget	104% of budget	< Budgeted DSO – 1 day

4.3.3 Long-term incentive plan (LTIP)

In 2015, the LTIP consisted of RSU awards and Performance Share awards comprising EBITA margin awards, EPS awards and relative TSR awards. From 2016, the LTIP will consist of only relative TSR awards. RSU awards will be discontinued in order to strengthen the link between pay and performance, reflecting feedback from shareholders and proxy advisors and to align to current market practices. EBITA margin awards and EPS awards will be discontinued which avoids duplication of performance measurement with the adapted STIP.

As in 2015, a three-year cliff-vesting will apply to LTIP awards. The extent to which relative TSR awards will vest is determined based on the percentile ranking of Adecco compared to peers in each year over a period of three years. The peer group for 2016 comprises the following 16 companies: Amadeus Fire, Brunel International, Hays, Kelly Services, Kforce, Manpower Group, Meitec, Michael Page International, On Assignment, Randstad Holding, Robert Half International, Robert Walters, SThree, Synergie Groupe, Temp Holdings, and TrueBlue.

Below the 35th percentile rank, 0% of the awards granted will vest. At the 35th percentile rank, 20% of the awards granted will vest. At the 50th percentile rank (median), 40% of the awards granted will vest, while at the 80th percentile, 100% (maximum) of the awards granted will vest. For percentile ranks between those levels vesting will be determined by linear interpolation.

Relative TSR – Percentile ranking of Adecco compared to peers	Percentage of shares granted to vest
< 35 th percentile	0%
= 35 th percentile	20%
>35 th percentile and ≤ 50 th percentile	Linear between 20% and 40%
>50 th percentile and ≤ 80 th percentile	Linear between 40% and 100%
> 80 th percentile	100% (maximum)

To determine the number of share awards to be granted under the LTIP, the three-year average daily closing price of the Adecco S.A. share is used. However, the share price used for the allocation cannot deviate by more than 20% from the share price at grant. In addition, taking into account that all LTIP awards will be exclusively performance based (removal of RSU awards), the number of relative TSR awards to be granted will be increased, resulting in a comparable grant date value versus prior year. The maximum number of awards that may vest is limited to the number of awards granted.

4.3.4 Benefits

For 2016, the same principles as in 2015 apply for social contributions, pension plan dues, and fringe benefits (refer to section 3.3.4 "Benefits").

4.3.5 Executive Committee compensation potential

The Maximum Total Amount of Remuneration ("MTAR") for the total EC, as approved by AGM 2015 for 2016 is CHF 36.3 million.

For the CEO, the total aggregate of all remuneration is capped at the amount of CHF 5.5 million.

5. Details of compensation elements

5.1 Compensation and shareholding of members of the Board of Directors and the Executive Committee

The amounts indicated in this paragraph include fees, salaries, bonuses and benefits (according to market value at time of conferral).

The members of the Board were compensated in cash and with Adecco S.A. shares. The amount conferred to the members of the Board for the fiscal year 2015 amounted to CHF 4.6 million.

For the fiscal year 2015, the total compensation conferred to members of the EC for the time of their EC membership, including bonus entitlements for 2015 due for payment in 2016, and awards granted in 2015 under the LTIP, at grant date fair value, amounted to CHF 35 million.

Individual compensation and shareholding for 2015 and 2014 are shown in the following tables:

5.1.1 Board of Directors' compensation and shareholding

For the year 2015

<i>in CHF (except shares)</i>	Compensation period in 2015	Compensation in cash	Compensation in shares	Total compensation for term served ¹	Social contributions ²	Shareholding as of December 31, 2015 ³
Name and function						
Rolf Dörig, Chairman	since Jan.	960,000	500,000	1,460,000	108,926	57,228
Thomas O'Neill, Vice-Chairman	since Jan.	283,333	141,667	425,000	28,293	9,207
Dominique-Jean Chertier	since Jan.	200,000	100,000	300,000		9,449
Jean-Christophe Deslarzes	since April	150,000	75,000	225,000	17,263	1,057
Alexander Gut	since Jan.	300,000	150,000	450,000	34,148	16,870
Didier Lamouche	since Jan.	200,000	100,000	300,000	23,017	2,449
David Prince	since Jan.	275,000	137,500	412,500	55,315	8,514
Wanda Rapaczynski	since Jan.	300,000	150,000	450,000		11,370
Kathleen P. Taylor	since April	150,000	75,000	225,000	17,263	1,057
Andreas Jacobs	Jan. to April	75,000	37,500	112,500		n.a.
Subtotal		2,893,333	1,466,667⁴	4,360,000	284,225	
Total					4,644,225	117,201

¹ Including Directors' social contributions required by law.

² Company's social contributions required by law. No pension plan contributions are paid for Directors. Note that in previous years' reporting, both Company's and Directors' contributions were shown separately from the net compensation.

³ Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board and of the EC are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

⁴ Paid with 19,991 Adecco S.A. shares at an average price of CHF 73.37 per share.

For the year 2014

<i>in CHF (except shares)</i>	Compensation period in 2014	Net compensation for term served ¹	Social contributions ²	Shareholding as of December 31, 2014 ³
Name and function				
Rolf Dörig, Chairman	since Jan.	1,511,493 ⁴	248,998	50,432
Andreas Jacobs, Vice-Chairman	since Jan.	450,000		1,631
Dominique-Jean Chertier	since Jan.	300,000		8,088
Alexander Gut	since Jan.	424,579	60,040	14,831
Didier Lamouche	since Jan.	282,801	40,532	1,088
Thomas O'Neill	since Jan.	333,371	40,054	7,269
David Prince	since Jan.	289,178	50,585	6,627
Wanda Rapaczynski	since Jan.	450,000		9,331
Subtotal		4,041,422	440,209	
Total			4,481,631	99,297

¹ CHF 1,134,741 of the total net compensation was paid with Adecco S.A. shares. CHF 1,025,000 of the total net compensation was paid with 14,858 Adecco S.A. shares at a rounded average price of CHF 69.00 per share. In addition, under the 2013/2014 fee plan, CHF 109,741 of the total net compensation was paid with 1,477 Adecco S.A. shares at a price of CHF 74.30 per share to the Chairman.

² Directors' and Company's social contributions required by law. No pension plan dues have been paid.

³ Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board and of the EC are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

⁴ CHF 484,741 of the total net compensation was paid with 6,909 Adecco S.A. shares as follows: CHF 109,741 was paid with 1,477 Adecco S.A. shares at a price of CHF 74.30 per share, and CHF 375,000 was paid with 5,432 Adecco S.A. shares at a rounded average price of CHF 69.00 per share.

5.1.2 Executive Committee's compensation

For the year 2015

in CHF	Patrick De Maeseneire, CEO until August 31 ¹	Total Executive Committee ²
Gross cash compensation ³ :		
• Base salary	1,200,000	8,392,116
• Annual bonus ⁴	800,000	6,472,283
Compensation in kind and other ⁵	217,972	1,242,471
Share awards granted in 2015 under the long-term incentive plan (LTIP) ⁶ :		
• EBITA margin awards	733,058	2,438,275
• EPS awards	733,058	2,438,275
• Relative TSR awards	155,389	516,839
• RSU awards	1,221,739	4,063,722
Social contributions:		
• Old age insurance/pensions and other ⁷	219,982	1,861,892
• Additional health/accident insurance	22,982	135,608
• On LTIP awards granted in 2015, potentially vesting in later periods, estimated (based on closing price at grant) ⁸	225,067	607,026
Total conferred	5,529,247	28,168,507
Conferred to former EC members after having ceased to be an EC member ⁹	1,550,468	6,826,718
Conferred, grand total¹⁰	7,079,715	34,995,225

1 Highest conferred individual compensation in 2015. CEO as of September 1, 2015: Alain Dehaze.

2 Notice periods of up to 12 months apply. For certain members of the EC, based on mandatory foreign law, additional payments may become due in case of termination. For certain members of the EC, compensation related to non-compete and non-solicitation obligations after termination of their employment agreement might be due. Certain officers joined the EC in the course of 2015; LTIP grants awarded to them in 2015, but before their EC membership are not included.

3 Including employee's social contributions.

4 Not included are bonus payments due for 2014 but made during 2015 as this information was disclosed in 2014. Includes STIPA 2015 of CHF 765,519 for 5 members that have achieved their regional targets in 2015. The group target 2015 has not been achieved. Not included are bonus payments due for the STIPA 2014. They were conditional on the achievement of the targets in 2015 and the potential amount was already included in the 2014 remuneration report. Out of the STIPA 2014, CHF 574,027 became due to 4 members with regional responsibilities.

5 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, voluntary pension contribution, representation allowance. Includes cash payments one EC member received under the contract for his previous function, benefits, and compensation for further work performed.

6 Value in CHF of Adecco S.A. shares awarded in 2015 under the LTIP 2015 (grant date: March 16, 2015).

Valuation of the share awards granted:

- The grant date values of the EBITA margin awards and of the EPS awards are calculated based on the closing price of the Adecco S.A. share on the day of grant less a discount of 9.5% which takes into consideration that EBITA margin awards and EPS awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of EBITA margin awards and EPS awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares by the participants.
- The grant date values of the relative TSR awards are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective relative TSR targets will be met at the end of the performance period. The probability factor of 0.42 for relative TSR awards has been determined using a binomial model. A discount of 9.5% is applied which takes into consideration that relative TSR awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of relative TSR awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares by the participants.
- The grant date fair value of the RSU awards is equal to the closing price of the Adecco S.A. share on the day of grant less a 9.5% discount which takes into consideration that RSU awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares.
- The per-share value of awards granted in 2015 amounts to CHF 72.58 and CHF 64.60 for RSU awards, CHF 30.77 and CHF 27.39 for relative TSR awards, CHF 72.58 and CHF 64.60 for EBITA margin awards, and CHF 72.58 and CHF 64.60 for EPS awards (lower values: French participants).

7 Including social contributions on LTIP grant 2015 for one EC member (France) as they became due at grant date.

8 Not included are social contributions on LTIP grant 2015 for one EC member (France) as they became due at grant date (included above, see footnote 7).

9 The employment relationships of certain officers who ceased to be members of the EC in the course of 2015 formally terminate in the course of 2016 in accordance with respective termination agreements. The amount shown contains seniority related payments of approx. CHF 2.4 million due under mandatory foreign law. Compensation of former members which is attributable to 2015 is included in this table, whereas compensation to former members attributable to 2016 will be disclosed in the remuneration report for 2016.

10 Not included are employer's social contributions of CHF 320,664 on LTIP awards granted in previous periods and vested in 2015.

Refer also to 5.2 "Compensation of former members of Governing Bodies (Board of Directors, Executive Committee, closely linked parties)".

For the year 2014

in CHF	Patrick De Maeseneire, CEO ¹	Total Executive Committee ²
Gross cash compensation ³ :		
• Base salary	1,800,000	8,964,673
• Annual bonus ⁴	2,202,916	9,207,311
Compensation in kind ⁵	324,257	1,273,089
Other ⁶		160,949
Share awards granted in 2014 under the long-term incentive plan (LTIP) ⁷ :		
• EBITA margin awards	733,028	2,531,224
• EPS awards	733,028	2,531,224
• Relative TSR awards	151,739	524,013
• RSU awards	1,221,713	4,218,795
Social contributions:		
• Old age insurance/pensions and other ⁸	540,653	2,890,233
• Additional health/accident insurance	13,103	112,863
• On LTIP awards granted in 2014, potentially vesting in later periods, estimated (based on closing price at grant) ⁹	225,063	548,162
Total conferred	7,945,500	32,962,536

1 Highest conferred individual compensation in 2014.

2 In 2014, the EC consisted of Patrick De Maeseneire, Dominik de Daniel, Alain Dehaze, Robert P. (Bob) Crouch, Peter Searle, Andreas Dinges, Christophe Duchatellier, Martin Alonso, Federico Viane, Enrique Sanchez, Sergio Picarelli and Mark De Smedt (all since January 2014). Notice periods of up to 12 months apply. For certain members of the EC, based on mandatory foreign law or pre-existing contractual commitments, additional payments may become due in case of termination. For certain members of the EC, compensation related to non-complete obligations after termination of their employment agreement might be due.

3 Including employee's social contributions.

4 Includes STIPA of CHF 360,000 for the CEO, and CHF 1,546,532 for the total EC, and includes a cash payment to one EC member, agreed in 2012, payable in March 2015.

5 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, representation allowance, pension plan dues formerly disclosed under social contributions.

6 Cash payments one EC member received under the contract for his previous function.

7 Value in CHF of Adecco S.A. shares awarded in 2014 under the LTIP 2014 (grant date: March 16, 2014).

Valuation of the share awards granted:

- The grant date values of the EBITA margin awards and of the EPS awards are calculated based on the closing price of the Adecco S.A. share on the day of grant less a discount of 9.5% which takes into consideration that EBITA margin awards and EPS awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of EBITA margin awards and EPS awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares by the participants.
- The grant date values of the relative TSR awards are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective TSR targets will be met at the end of the performance period. The probability factor of 0.41 for relative TSR awards has been determined using a binomial model. A discount of 9.5% is applied which takes into consideration that relative TSR awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of relative TSR awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares by the participants.
- The grant date fair value of the RSU awards is equal to the closing price of the Adecco S.A. share on the day of grant less a 9.5% discount which takes into consideration that RSU awards are not entitled to dividends during the vesting period. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to a 2-year post-vesting restriction on sale of shares.
- The per-share value of awards granted in 2014 amounts to CHF 66.11 and CHF 58.84 for RSU awards, CHF 27.37 and CHF 24.36 for relative TSR awards, CHF 66.11 and CHF 58.84 for EBITA margin awards, and CHF 66.11 and CHF 58.84 for EPS awards (lower values: French participants).

8 Including employer's social contributions (i) CHF 363,614 on LTIP awards granted in previous periods and vested in 2014 and (ii) social contributions on LTIP grant 2014 for one EC member as they became due at grant date.

9 Not included are social contributions on LTIP grant 2014 for one EC member as they became due at grant date.

EC membership was as follows:
(see also Corporate Governance Report 2015 for current composition of the EC)

Name	
Alain Dehaze ¹	Since January 1, 2015
Robert P. (Bob) Crouch	Since January 1, 2015
Christophe Duchatellier	Since January 1, 2015
Federico Vione	Since January 1, 2015
Enrique Sanchez	Since January 1, 2015
Sergio Picarelli	Since January 1, 2015
Mark De Smedt	Since January 1, 2015
Hans Ploos van Amstel	Since September 1, 2015
Christophe Catoir	Since September 1, 2015
John L. Marshall III	Since October 1, 2015
Stephan-Thomas Howeg	Since October 1, 2015
Andreas Dinges	Until June 30, 2015
Dominik de Daniel	Until July 31, 2015
Patrick De Maeseneire	Until August 31, 2015
Martin Alonso	Until August 31, 2015
Peter Searle	Until September 30, 2015

¹ CEO as of September 1, 2015.

Furthermore, Franz-Josef Schürmann (as of January 1, 2016) and Shanthi Flynn (as of March 1, 2016) have joined the EC.

A one-to-one comparison of the compensation amounts between 2015 and 2014 cannot directly be drawn from the compensation tables. The achievement in 2015 of the STIP that relates to the results of the Adecco Group, leads to a pay-out of 93.6% of the related STIP bonus base vs. 102% in 2014.

The composition of the EC changed substantially in 2015, with the departure of five EC members and the appointment of four new EC members (and further two new members as of January 1, 2016 and March 1, 2016 respectively). Compensation packages were determined in alignment with the Company's remuneration principles.

5.2 Compensation of former members of Governing Bodies (Board of Directors, Executive Committee, closely linked parties)

Social contributions paid for LTIP grants vested in 2015 for former members of the EC amounted to CHF 9,163. No further payments were made to former members of Governing Bodies in relation to their offices before 2015.

Payments in 2015 to members of the EC after having ceased to be a member of the EC during 2015 are disclosed in section 5.1.2 "Executive Committee's compensation for the year 2015".

5.3 Shares allocated to Governing Bodies

In 2015, part of the compensation of the Board members was paid in Adecco S.A. shares (refer to the table in section 5.1.1 "Board of Directors' compensation and shareholding") and under the LTIP, share awards were allocated to the members of the EC (refer to the table in section 5.1.2 "Executive Committee's compensation"). No further Adecco S.A. shares were allocated to current or former members of Governing Bodies.

5.4 Share ownership of Governing Bodies

As of December 31, 2015, the members of the Board, including related parties, reported to hold 117,201 shares. For the individual share ownership of the members of the Board, refer to the table in section 5.1.1 "Board of Directors' compensation and shareholding".

The members of the EC, including related parties, reported share ownership as indicated in the following table:

<i>in shares</i>		
Name	Shareholding as of December 31, 2015 ¹	Shareholding as of December 31, 2014 ¹
Alain Dehaze	22,734	14,670
Hans Ploos van Amstel ²	2,000	n.a.
Christophe Catoir ²	5,638	n.a.
Robert P. (Bob) Crouch	5,103	2,037
John L. Marshall III ²	2,000	n.a.
Christophe Duchatellier	5,236	2,894
Mark De Smedt	5,000	2,500
Sergio Picarelli	7,854	10,650
Enrique Sanchez	5,184	5,043
Federico Vione	5,043	2,220
Stephan-Thomas Howeg ²	5,336	n.a.
Sub-Total	71,128	40,014
Patrick De Maeseneire ³	n.a.	60,000
Dominik de Daniel ³	n.a.	32,463
Marín Alonso ³	n.a.	3,266
Andreas Dinges ³	n.a.	3,611
Peter Searle ³	n.a.	2,000
Total	71,128	141,354

¹ Indicating the number of registered shares held, with a par value of CHF 1 each.

² Became a member of the EC in 2015.

³ Ceased to be a member of the EC in 2015.

The members of the Board and of the EC are required to disclose to the Company direct or indirect purchases and sales of equity-related securities in accordance with the requirements of the SIX Swiss Exchange.

5.5 Share awards held by and granted to Governing Bodies as per December 31, 2015

Awards granted 2015

Share awards held as of December 31, 2015 granted on March 16, 2015 under the LTIP:

December 31, 2015 ¹	RSU awards	EBITA/EPS/TSR awards ²	Total
Alain Dehaze	4,588	6,882	11,470
Total EC	31,818	37,637	69,455

¹ Held, as of the date indicated, by members of the EC in office on December 31, 2015. The numbers of awards held include outstanding awards granted prior to EC membership.

² Split into EBITA margin awards (40%), EPS awards (40%) and relative TSR awards (20%).

5.6 Historical vesting information on Performance Share awards

Performance Share awards vested (as percentage of awards outstanding):

in %

Grant year	Vesting year	TSR Relative	TSR Absolute ¹	TSR Additional ¹	EPS ²	EBITA ²
2010	2013	0	0	0	n.a.	n.a.
2011	2014	0	83	0	n.a.	n.a.
2012	2015	0	100	0	n.a.	n.a.
2013	2016	0	100	0	n.a.	n.a.
2014	2017	pending ³	n.a.	n.a.	pending ³	pending ³
2015	2018	pending ³	n.a.	n.a.	pending ³	pending ³

¹ Until including grant 2013.

² Introduced as of grant 2014.

³ Performance periods are still running. Numbers will be available after the end of the respective performance period.

5.7 Additional fees and remuneration of Governing Bodies

No member of the Board and of the EC has received any additional honorariums in 2015.

5.8 Loans granted to Governing Bodies

In 2015, the Company did not grant any guarantees, loans, advances or credits to members of the Board or to members of the EC, including closely linked parties.

5.9 Reconciliation of compensation with the approval of the AGM 2015

At the AGM of April 21, 2015, the shareholders approved the Maximum Total Amount of Remuneration of the Board for the period of office from the AGM 2015 until the completion of the AGM 2016 in the amount of CHF 4.9 million. The total amount of remuneration paid out for this period is anticipated to be approx. CHF 4.8 million. The final amount will be disclosed in the Remuneration Report 2016.

With respect to the remuneration for the EC, the shareholders approved a Maximum Total Amount of Remuneration for the financial year 2016 of CHF 36.3 million. The reconciliation of the compensation for the EC in the financial year 2016 with the amount approved by the AGM 2015 will be disclosed in the Remuneration Report 2016.

Report of the Statutory Auditor on the Remuneration Report to the General Meeting of Adecco S.A., Chésereux

We have audited section 5 “Details of compensation elements” in the accompanying remuneration report dated 17 March 2016 of Adecco S.A. for the year ended 31 December 2015.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report dated 17 March 2016 for the year ended 31 December 2015 of Adecco S.A. complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd



André Schaub
Licensed audit expert
(Auditor in charge)

Zurich, Switzerland
17 March 2016



Bruno Chiomento
Licensed audit expert